

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:

DELPHI CORPORATION, *et al.*

Debtors.

Chapter 11

Case No. 05-44481 (RDD)

Jointly Administered

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**DECLARATION OF HENRY NEWMAN
IN OPPOSITION TO DELPHI'S MOTION FOR AUTHORITY TO REJECT
COLLECTIVE BARGAINING AGREEMENTS UNDER 11 U.S.C. § 1113(c) AND
MODIFY RETIREE WELFARE BENEFITS UNDER 11 U.S.C. § 1114(g)**

I, Henry Newman, declare and state as follows:

1. My name is Henry Newman. I am the Shop Chairman for Local 718, IUE-CWA ("Local 718" or "the Union") at Delphi in Brookhaven, Mississippi ("Delphi Brookhaven" or "the Company") since April, 2004. Other union positions I have held are: Committeeman and Health and Safety Representative. I have worked at Delphi Brookhaven for 28 years as an assembly line worker, wiring harnesses, shipping and receiving, liaison, and electronic brake controls.

2. The Brookhaven plant opened on January 31, 1977. The initial wages were basically the same as the IUE national wage package. Delphi voluntarily recognized IUE as the representative for the workers in 1982. At the time there were approximately 400 workers in the plant. The plant originally built wiring harnesses and cut leads for wiring harnesses. Since 1997, the cutting of the wiring and wiring harnesses was replaced by molding and Buss Electrical Center ("BEC"). These parts are used for different companies, but all of the BECs are for General Motors ("GM") trucks.

3. Over the past 29 years of operation we have worked hard to keep Delphi Brookhaven competitive. We have agreed to participative management whereby teams manage their own work unit. Teams managed schedules of production, break times, lunch times, vacations. There was a team for each of the 16 lines and for shipping and receiving. There was also a quality team. That started when the plant opened in 1977 and continues to this date although more recently management dictates more of what goes on.

4. We have agreed to train employees to be flexible and rotate jobs.

Employees learned how to do each other's jobs so that if one worker was out, we could fill in for each other and keep the job going. This made the team and work group stronger. This has only changed recently, within the last year when the Company brought in another GM truck to make parts for.

5. We have agreed to problem solving workshops to improve the work process. We would sit down and study any problem in running the line. For example, in part of the BEC line, one machine was slow. We decided to put two machines next to each other and operate both at once to keep the product flowing better. These workshops still continue today but not to the degree that they used to.

6. In 1985 we agreed to a competitive contract, the Progressive Hire Plan ("PHP") where new hires were hired at 52% of the top rate. A copy is attached as Exhibit A. They progressed to the top rate over 12 years. New hires had limited health benefits which improved over their years. After 12 years they had the full health benefit plan. They did participate in the pension plan. Also in 1985, the Union agreed to temporary part-time workers. There was supposed to be one person hired for each three people who left.

7. In 1992, the Union gave up the requirement to replace in exchange for the commitment to hire nearly 100 workers who would replace all of the workers in the plant, eventually. They agreed to hire all of them as PHPs and had hired all of them by 1995.

8. The next contract changes came in 1994. The Union agreed to Concept 2000: 52.5% of base pay of traditional workers as a new hire rate for full time workers,

401k retirement, limited benefits and no parity. The maximum rate was \$18. They only got wage increases when the traditional worker rate went up. Cost of living payments were paid at 52.5% also. Workers began to be hired on these terms in 1998, after all of the PHP commitment workers were hired. Concept 2000 continues today. Their wage rates are now approximately \$14 per hour. The Union also agreed to allow Delphi to hire Scheduled Sensitive Employees ("SSEs") who are hired part-time at the rate of \$7.50 per hour and receive no benefits. There are now 18 of those employees on lay off. The Union agreed to these changes to make the plant profitable and competitive. A copy of the agreement is attached as Exhibit B.

9. We agreed to no job classifications. Any employee in the plant can go do any other job. For example, in precision molding, the employees change dies, schedule runs, sweep floors, pack and ship parts, etc. This increases efficiencies and saves the Company money.

10. Hourly employees have been trained to do salary jobs. Team leaders do some supervisory work, as far as getting the team in line to work in the department, checking on quality, etc. Some employees go in to salary jobs as per diem advisors on a temporary basis (up to 18 months). They get paid at a higher rate than the hourly workers.

11. We agreed to allow flextime (hours work during the week). Employees come in and work early or work later and make up time later with no overtime pay. Now the company restricts workers from doing this.

12. We've done some things right. But there have been some things not so good for our plant that have been done by management. They have been changing

what has been working when top management changes. For example, the scheduling was done by the team. Now, the company is dictating how the scheduling will be done without listening to the workers.

13. While the company could save money by using hourly workers to do managerial jobs, they are still keeping managers that have no work to do. There are now about 495 hourly workers in the plant and there are about 40 salaried employees. Special assignment jobs are salaried jobs being done by an hourly person but the manager stays there even though someone else is now doing the job. The team concept was supposed to eliminate the advisors (supervisors) but it has not. The Company keeps too many managers even though the head count ratio say its okay but there is nothing for them to do. There are 2 level 8 managers in the plant when there should only be one.

14. The Company has been continually building a product that it knows is losing money – the Electronic Brake Control ("EBC"). The sales people bid the part too cheap to GM truck. The actual production cost was better than the estimates but it is still lost money because it was underbid. That happened from 1997 to the present although this job is now being done in Canada.

15. Delphi's proposals would be devastating to the workforce at Brookhaven. Our average employee is forty-five years old or older having put in about 16 years of service. The new hire rate is now \$12.71. If wages are cut and workers have to pay for health benefits as Delphi is proposing, many would lose their home or car and might have to take their children out of college. This would cause a snowball effect in the community, businesses, and churches, all dependent on wages spent in the

surrounding areas. Many live more than 20 miles away from the plant one way and with no public transit getting to work would be a tremendous burden. If God forbid and Delphi closes in Brookhaven most of us are too old to be hired by someone else.

Dated: April 21, 2006


HENRY NEWMAN